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ROUTING SLIP

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Remarks

Executive Secretary

1 Jun '88

Date

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EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

May 20, 1988

Executive Registry

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MEMORANDUM TO THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: James C. Miller III

SUBJECT: Designation of Quality Improvement Prototypes

In this the third year of the President's Productivity Improvement Program, we are establishing an ongoing effort to single out a few significant successes as Quality Improvement Prototypes. These can serve as models for the rest of government so that other agencies can observe the results that can be obtained when a commitment is made to improving the quality of service to customers.

The three organizations designated as Quality Improvement Prototypes are:

- o The Naval Aviation Depot, Cherry Point - Through leadership, communication among managers and employees, the use of gainsharing, and training in structured problem solving and statistical process control, Cherry Point has brought improved quality to the repair of sophisticated aircraft, engines and their associated aeronautical components. One of many quality improvements was a 90 percent reduction in aircraft engine test failure rates.
- o The Internal Revenue Service (IRS) - IRS has established an organizational culture that emphasizes quality throughout the Service, from the Commissioner down to the newest employee. This has occurred through the use of quality improvement teams, training, and by promoting quality as first among equals with schedule and cost. In one of many quality improvements, IRS achieved an 81 percent decrease in Federal Tax Deposit unpostables (errors). In its One-Stop Account Service, the IRS San Francisco District Office was able to handle selected inquiries in 8 days compared to 45 days under the prior system.

L-247-1R

- o The Equal Employment Opportunity Commission (EEOC) - EEOC has successfully applied quality assurance strategies to its case investigation and other Commission operations. While reducing the time to process discrimination cases in many district offices, EEOC is improving the overall quality of its investigative work.

Each of the above organizations will be preparing detailed case studies documenting the quality improvement approaches used and results obtained. The case studies will be given widespread distribution -- starting with the June Conference on Quality and Productivity Improvement -- so we can all benefit from their practices. We also plan to conduct workshops on the prototypes during the summer to share further lessons learned and methodologies used.

As we approach the last part of Fiscal Year 1988 all agencies that are implementing "Total Quality Management" practices throughout their organizations should consider whether they, or one of their major bureaus or services, might qualify for consideration as a Quality Improvement Prototype. A few key considerations for your planning relative to qualifying as a Quality Improvement Prototype are: (1) there should be an agency-wide total quality management approach, (2) customer satisfaction should be the focus; and (3) improvement goals should encompass quality, timeliness and efficiency, with emphasis on quality. We will be preparing and sending you soon the materials for nominating prototype candidates.

Thank you for your continuing support of the President's Productivity Improvement Program. Please join me in congratulating the agencies designated as Quality Improvement Prototypes. We can make government work better by following their fine example.